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FOREIGN AGRICULTURE

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Supermarket Surveys in the Ivory Coast

Soviet Agriculture in 1968 and 1969

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This week's cover:

The Soviet Union's agricultural situation is reviewed on page 5. Here women clean seed wheat on a cooperative farm in the Ukraine, and combines cut and winnow wheat in western Siberia. (Minneapolis Tribune photo.)

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Selling U.S. Farm Pro

By SNIDER W. SKINNER
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This page from top: In Nigeria—one of several countries visited—author inspects U.S. foods, and clerk checks out groceries; in Ivory Coast, women do their daily shopping. Page 3: Contrasting with the new are a traditional marketplace in Ghana and a roadside stand in Nigeria. Photos by Wynona L. Skinner.

rm Products in the Ivory Coast

Despite its vast land area, Africa for many years was regarded almost as an outpost when it came to marketing U.S. farm products. Shipments there were minor compared with those to other continents and moved largely under P. L. 480.

All this is changing, however, and U.S. farm exports to Africa—totaling $220 million in 1968—have the potential of rising considerably in the future as African economies improve and buying power expands.

Aware of the growing sales opportunity in Africa, I recently took the opportunity while on an official business trip to make an informal survey of U.S. foods offered in the supermarkets of several countries. Among these were three supermarkets in Abidjan—capital of the booming Ivory Coast—where I found a market that had been largely ignored by U.S. salesmen. Following is a report on my findings.

Strong ties with France

There are some natural obstacles to U.S. sales in the Ivory Coast—foremost of which is the strong tie with the mother country, France. Despite its independence—achieved in 1960—the Ivory Coast still looks to France for many imported products. This was evident in two of the supermarkets visited, which had buying offices in France. Also, as one of the European Community's Associated African States, the Ivory Coast finds it advantageous to trade with other EC countries.

Even so, U.S. exporters have an opportunity to sell in the country. Thus far, they have had the greatest success with rice, of which $2.3 million went to the Ivory Coast in 1967, and inedible tallow, $1.2 million. Other U.S. products are also bought in some quantity.

One survey was in a supermarket in the Plateau area of Abidjan that had opened only the week before. Its manager assured me that he had only two American products in stock—men's shirts and rice. I did find these two items; the rice was priced at 50 CFA francs (20 U.S. cents) per pound, compared with 14 cents for Italian rice. I also found canned cream-style corn, packed in the United States for a French distributor. These 1-pound cans of corn were 91 cents each.

This new store, replacing an older one not far away, has all the elements of a supermarket—self-service, grocery carts, check-out cash registers, and loud recorded music. It is one of a West African chain with headquarters in Paris and stocks mainly French products.

The second supermarket was an older one, also located in the Plateau area of Abidjan. The manger here told me that the only U.S. products he carried were rice, bourbon whiskey, and paper products—a statement verified in my survey. The manager did not appear prejudiced against American products but instead said that no American salesmen stop to see him. The store has a Paris buying office, and most of its commodities are from France.

The manager especially likes one brand of American rice. He had it on order—but not on the shelves—at the time of my visit. He did have in stock another brand of American rice, here again at 20 cents per pound compared with rice from Italy at 14 cents, from the Netherlands at 22 cents, and from France at 24 cents.

A third supermarket, relatively new and in the same general area, is managed locally and has its buying office in Abidjan. The store is owned by a Pakistani, managed by a Swiss, and has as wide a variety of products, as far as country of origin is concerned, as I have ever seen. It carries a rather large number of products from the United States, including—

	U.S. dol.
Coffee, 1 pound	1.81
Instant coffee, 2 ounces	.95
Rice, 1 pound	.26
Quick rice, 1 pound	.73
Frozen asparagus spears, 10 ounces	1.37
Frozen fried onion rings, 4 ounces	.60
Frozen raspberries, 10 ounces	.85
Frozen creamed spinach, 9 ounces	.77
Canned white sweet corn, 1 pound	.77
Canned peaches, 29 ounces	.85
Chili sauce, 12 ounces	.85
White cake mix, 19 ounces	.60
Chocolate chip cake mix, 20 ounces	.97
Cane and maple syrup, 12 ounces	.77
Ready-to-eat cereal, 11 ounces	.87
Gelatin, 3 ounces	.26

The manager of this supermarket was enthusiastic about U.S. products. He had recently sent a questionnaire to American residents in Abidjan, asking what U.S. products they would like to buy in his store, and he had also held an in-store promotion of American products during American week.

However, the manager was not altogether happy with U.S. suppliers. His major complaint was that they want to sell in carload lots, which is more than one supermarket can handle. He also mentioned that exporters in the United States were reluctant to extend credit on shipments, and U.S. firms did not always supply catalogues he requested. The manager was, however, pleased with the way American products are packed for shipment, saying that it is better than that for products from other countries.

Prices of some other representative farm products, as noted in the three Abidjan stores, are as follows:

	U.S. dol. per lb.
Canned green beans, France	0.88
Frozen brussels sprouts, France	2.01
Canned asparagus, Israel	1.10
Canned sweet corn, Israel	.49
Canned peas, France	.36
Canned artichokes, Tunisia	1.34
Canned peaches, France	.61
Canned peaches, Greece	.65
Canned peaches, Spain	.42
Canned pineapple, Ivory Coast	.32
Canned lychees, Taiwan	1.26
Canned pears, Italy	.60
Canned chicken soup, Italy	.61
Evaporated milk, France	.19
Full cream dried milk, the Netherlands	.51
Corn flakes, Denmark	1.23
Oatmeal, the Netherlands	.65
Flour, Ivory Coast	.09
Sugar cubes, France	.12
Mayonnaise, the United Kingdom	1.28
	Per doz.
Eggs, Ivory Coast	.92
	Per liter
Peanut oil, Senegal	.56
	Per 4/5 quart
Whiskey, United States	6.65
	Each
Men's shirts, United States	10.08-12.10

Rice is one of the most popular U.S. products in the Ivory Coast, but it is on the decline as an import. The Ivory Coast can produce rice and is growing more each year. By the 1970's it will probably have enough home-grown rice for local needs and perhaps also for export.

The country's climate, on the other hand, is not suited for wheat. Grain for the flour mill at Abidjan is imported, virtually all of it coming from France. In time, the Ivory Coast mill may find it desirable to import some of its wheat needs from the United States.

Other countries surveyed

During this same trip to Africa, my wife and I also made surveys in stores in Lagos and Ibadan, Nigeria; Kinshasa, Democratic Republic of the Congo; and Nairobi, Kenya. These surveys indicate—

- There is a bigger market for American farm products in Africa than now exists. It is probably larger than most exporters would estimate.
- A salesman would probably need to visit company headquarters and buying offices in France, England (London and other cities), Switzerland, Belgium, and other countries.
- Since air fares, hotel rooms, and meals are expensive, it would be desirable to have a selling trip cover more than one country. Don't try to cover too many in one trip, though.
- French language labels would be good in French-speaking countries, especially if detailed instructions for cooking are needed. However, in some cases an English-language label might add glamour and desirability to a product offered for sale in a French-speaking country.
- Once a product is introduced into a country and creates a demand for itself, future sales and profits should increase from year to year. (A goal especially desired: steady demand from all geographical areas of the country and all segments of its society.)
- While many of the American brand names found in the stores are famous in the United States and the world, other brands are less well known. If quality and price are right, the lesser-known American products can be sold abroad.
- Some potential American exporters may not want to go to the trouble and expense of sending salesmen to Africa and Europe. Such exporters may want to deal with jobbers who arrange odd-lot shipments abroad. One such jobber, located in Houston, Texas, charges 4 percent for his services.

Rainfall Is Sparse in Chile

Meteorologists are recording lower than average rainfall for most of Chile thus far in 1969, possibly a foreboding of another drought year for the country's hard-hit agriculture. January to March is normally drier than other times of the year in Chile, but the heavy rains just beginning to fall will have to continue throughout May to avert a full-fledged drought.

Reported rainfall at all weather stations from Copiapó in north-central Chile to Puerto Montt in the south ranged from 0 rainfall to 50 percent of normal for January-March.

The drought in central Chile last year resulted in huge cutbacks in crop production and the deaths of thousands of animals. Not yet fully recovered from drought losses, the country is trying to keep agricultural prices down and avoid inflation while encouraging farm output for this season.

Meanwhile, drought conditions prevail further to the south than in 1968. Victoria and Temuco, both in Malleco Province, had 88 and 77 percent of normal rainfall last year but only 35 and 37 for the first 3 months of this year. Furthermore, temperatures in the north and central provinces during March were reportedly higher than for the past 56 years, causing the rapid melting of snows in the mountains and rapid water runoff.

The progressive deterioration of the water supply has reduced hydro-electric generating capacity, leading the Chilean Government to announce stringent rationing of electrical energy.

Evaluation and outlook

Soviet Agriculture in 1968 and 1969

By DAVID M. SCHOONOVER
Foreign Regional Analysis Division
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Agricultural production in the Soviet Union reached a record level in 1968 in which grain output was second only to the bumper 1966 crop. Recovery from the poor grain harvests of 1963 and 1965 coupled with general improvement of agricultural output has contributed to a sharp increase in farm exports and a substantial decline in agricultural imports. Soviet agricultural exports will probably continue strong in 1969 on world markets.

Exceptionally low temperatures and light snowfall during midwinter resulted in some reported damage to 1968-69 winter grains. (See article immediately following this one for additional information on the USSR grain situation.) However, grain output in the USSR is swung most sharply by production of spring grains, which cannot be evaluated successfully until well into the 1969 summer growing season. Considering the high level of Soviet wheat stocks, even a below-normal crop in 1969 would probably not cause the Soviet Union to reenter the market as a net importer of grain.

Record agricultural output in 1968

The U.S. Department of Agriculture preliminary estimate of USSR net agricultural production in 1968 indicates an increase of about 7 percent over 1967 but of only 4 percent over the previous record level in 1966.

Grain output in 1968 was second only to the bumper 1966 crop. Soviet officials announced a 1968 grain harvest of 169.2 million metric tons (including pulses). After adjusting for excess moisture and foreign matter,[1] 1968 grain production in excess of 140 million metric tons is estimated by USDA—an increase of about 13 percent over 1967. The Soviet Government reported procurements (purchases from farms) of about 69 million metric tons of grain compared with 57.2 million tons in 1967. Grain storage problems were reported because supplies of new grain exceeded available storage.

Wheat production in 1968 is estimated at 78.5 million metric tons—an increase of almost 15 million tons from 1967. Although winter wheat output declined an estimated 5 to 10 percent, spring wheat production jumped almost 50 percent. The government reported procurement of about 48 million metric tons of wheat in 1968 compared with 38.2 million tons in 1967. The government's 1968 procurements are about 15 million tons in excess of government domestic utilization of wheat during the first half of the 1960's; therefore, the government probably has large amounts available for stocks or exports during 1968-69. Wheat left on farms from the 1968 harvest was more than 10 million metric tons greater than the average during the first half of the 1960's.

Production of feedgrains—barley, oats, and corn—is estimated at a record level of almost 40 million metric tons in 1968 after holding at about 38 million tons in the 2 previous years. The larger amounts of feedgrains now available probably will be utilized to raise domestic livestock production, although some increase in exports, especially to the countries of Eastern Europe, is also likely.

Production of oilseeds held steady in 1968. Sunflowerseed output in 1968, 6.1 million metric tons, was little changed from production in 1967. Yields declined only about 2 percent despite the drought in major growing regions. Area planted was greater than during the previous year. Government procurements were about equal to the 4.9 million metric tons purchased in 1967.

Cotton output was slightly less than 6 million metric tons (unginned) and about equaled 1966 and 1967 production. Considerable replanting of cotton was required in 1968 in central Asia because of damaging hail and hard spring rains, but harvested area apparently was at least as great as in 1967. Cotton yields declined slightly.

Sugarbeet yield averaged a record 10.6 tons per acre in 1968, and production spurted to 93.6 million metric tons although planted area declined by more than 6 percent.

Output of potatoes, fruit, and grapes was favorable; but vegetables suffered from the spring drought. A record 91 million metric tons of potatoes were harvested.

Livestock inventories generally declined in 1968. Cattle numbers slipped 1.5 million to 95.7 million head at the end of 1968. Poor pasture conditions and uncertainties about the feed supply probably played a role in these reductions. Hog numbers declined 1.9 million to 49 million head—a drop for the third successive year. Much of the decline in hog numbers has been associated with a trend toward specialization that has reduced the number of pigs sold to the private sector. In contrast to the cattle and hog situation, sheep and goat numbers increased by 2.1 million to 146.1 million head.

Livestock product output slowed perceptibly in 1968. Meat and milk showed the slowest rates of gain since 1964—the year after the crop failures of 1963. More substantial progress was made in egg and wool production. Output of all major livestock commodities was at record levels, however.

Although the increase in milk production was small, additions probably were made to the surplus holdings of butter, which were over 500,000 metric tons on January 1, 1968.

Agricultural priorities reemphasized

During the first 3 years (1966-68) of the current 5-year economic plan (1966-70), the priority of agriculture was strengthened and substantial progress was made in increasing output. The average level of total agricultural investments jumped by more than one-half over the previous 5-year period, and the share of agriculture in total investments in the economy rose from 19 to 22 percent. Gross agricultural output rose about 19 percent.

In October 1968 the Communist Party Central Committee held a special plenum, which was addressed by General Secretary of the Party Leonid I. Brezhnev, who gave a major report on agriculture. Brezhnev praised the accomplishments in Soviet agriculture during the current 5-year plan and outlined guidelines for the next 5-year plan. He also criticized

[1] Downward adjustments are made by USDA in USSR grain and oilseed production and yield figures to eliminate reportage of excess moisture and foreign matter included in Soviet figures.

USSR PRODUCTION[1] OF MAJOR AGRICULTURAL COMMODITIES

Commodity[2]	Average 1961-65	1966	1967	1968
	Million metric tons	*Million metric tons*	*Million metric tons*	*Million metric tons*
Grain and pulses:				
Wheat	50.2	85.0	64.0	78.5
Feedgrains	32.3	38.3	38.3	39.7
Rye	13.6	12.0	12.0	12.4
Pulses	6.7	6.3	5.9	5.6
Other	3.4	4.3	4.8	5.3
Total	106.2	145.9	125.0	141.5
Meat:				
Beef and veal	3.0	3.7	4.3	4.4
Pork	2.8	3.4	3.4	3.4
Mutton and lamb	.8	.7	.8	.8
Poultry	.7	.7	.8	.8
Total	7.6	8.7	9.4	9.5
Milk	58.2	68.4	71.9	73.9
Potatoes	73.5	79.1	85.9	91.4
Oilseeds:[3]				
Sunflowerseed	4.7	5.7	6.1	6.1
Other	.6	.8	.8	.8
Total	5.3	6.5	6.8	6.9
Cotton, unginned	5.0	6.0	6.0	6.0
Sugar beets	59.2	74.0	87.1	93.6
Vegetables	16.9	17.9	20.5	18.5
Wool, greasy	.36	.37	.39	.41
	Billions	*Billions*	*Billions*	*Billions*
Eggs	28.7	31.7	33.9	35.5

[1] USDA estimates of grain, meat, milk, potatoes, and oilseeds based on official USSR data. [2] Commodity groupings and individual products, except eggs, are ranked by 1968 value in U.S. dollars determined by weighting with 1957-59 average West European producer or wholesale prices. In production value, eggs stand between sugar beets and vegetables. [3] Excludes seeds of fiber crops.

some shortcomings—particularly the failure to meet investment targets in agriculture and in industries supplying agriculture. The convening of the October plenum apparently was an attempt to reemphasize the priority needs of agriculture and to prevent complacency over the results achieved.

Total investment in agriculture has maintained a steady annual growth rate of about 11 percent in the 1960's (except in 1964 when it jumped 20 percent). But deliveries of tractors and grain combines to agriculture increased only 2 percent in 1968, and truck deliveries did not increase at all. Less new land was brought under irrigation than in the year before, and drained land increased only 2 percent. Fertilizer deliveries slowed perceptibly. Much of the 1968 investment went into construction, where completion rates have been poor. The 1969 plans announced in December 1968 indicated a continuation of the trends observed in 1968.

Other major developments during 1968 included a decision to expand the capacity of the mineral fertilizer industry from 47 million metric tons in 1968 to 95 million tons in 1972. A decision was also made to broaden the reform experiment involving financial autonomy of state farms from about 800 farms in 1968 to 3,700 farms, or 29 percent of the total, in 1969.

Payments in cash and kind to collective farmers in 1968 increased about 6.5 percent compared with a general increase of about 7.5 percent for other workers in the economy. From 1966 through 1968 incomes of collective farmers grew at an average annual rate of 9.2 percent (30 percent in total) compared with a planned rate of 6.7 percent.

The Soviet diet has continued to improve in recent years. During 1966 and 1967 per capita consumption of meat, dairy products, eggs, fish, sugar, and vegetables increased while that of grain and potatoes declined. Although vegetable oil consumption was greater in 1967 than in 1966, a surprising decline is reported from the 1965 peak. The share of total calories in the average Soviet diet supplied by grain and potatoes declined from roughly 70 percent in 1950 to 60 percent in 1960 and to 55 percent in 1967.

Competitive export position in 1968

Recovery from the poor grain harvests of 1963 and 1965 and the general improvement of agricultural output have contributed to a sharp increase in exports and a substantial decline in imports of agricultural commodities by the Soviet Union. The USSR resumed its traditional role as a net grain exporter in 1967. Total grain exports increased from 3.6 million metric tons in 1966 to 6.2 million tons in 1967 of which

USSR TRADE IN MAJOR AGRICULTURAL COMMODITIES

Commodity[1]	Average 1961-65	1966	1967
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Exports:			
Wheat	3,473	2,805	5,284
Cotton, lint	380	508	534
Sunflowerseed oil	[2] 180	428	670
Meat, fresh-frozen	79	97	158
Sugar, refined	592	993	1,032
Butter	52	54	63
Sunflowerseed	97	142	304
Wool, washed	26	28	20
Flour	273	306	377
Oilcake and meal	220	390	388
Imports:			
Sugar, raw	2,153	1,841	2,480
Wheat	3,482	7,583	1,828
Cotton, lint	169	173	144
Wool, washed	49	61	50
Fruits, fresh	402	447	537
Tobacco	90	65	61
Rice	230	275	397
Vegetables, canned	115	203	240
Cocoa beans	56	56	82
	Millions of pieces	*Millions of pieces*	*Millions of pieces*
Hides and skins:			
Large	3	4	5
Small	20	23	25
Total	23	27	30

[1] Commodities are ranked by 1967 ruble values, except for hides and skins. In import value, hides and skins stand between wool and fruits. [2] Includes small quantities of other vegetable oils.

5.3 million metric tons were wheat. Grain imports (excluding rice and flour) declined from 7.7 million metric tons to 2.2 million tons during the same period.

Soviet wheat exports in 1968 were at about the same level as in 1967. Exports for 1968 were probably at least 5 million metric tons. The northern countries of Eastern Europe—Czechoslovakia, East Germany, and Poland—took about 3 million tons, or about 1 million tons each, as in 1967. The USSR continued to offer wheat in the West European market.

USSR imports declined in 1968 as Canada and the Soviet Union failed to conclude contracts in 1968 for sale of the 4 million tons of wheat remaining to be purchased under the 3-year agreement that expires in July 1969.

The failure to increase cotton production for the second consecutive year probably prevented any significant expansion in cotton exports in 1968. Eastern Europe is still the leading market; but sales to Japan were 67,000 tons in 1967 and about the same in 1968.

Exports of sunflowerseed oil in 1968 probably were near the 1967 peak; but prices received in Western European markets declined sharply. Countervailing duties by the Common Market were increased in 1968 on imports of East European sunflowerseed oil; the country chiefly affected was the USSR.

Trade in agricultural commodities between the United States and the Soviet Union declined in 1968. U.S. farm exports to the USSR dropped to $5.3 million from $19.3 million a year earlier. U.S. imports from the Soviet Union declined to $2.2 million from $4.1 million in the previous year.

A view ahead

The outlook for 1969 is continued strong sales activity by the USSR on world markets. Production of grain and major industrial crops in 1968 suggest that large exportable surpluses of wheat, cotton, sunflowerseed oil, and refined sugar will continue to be available.

The Soviet wheat export position probably is the strongest among these commodities, although the large world wheat crop may prevent any major expansion of sales. The Soviet Union's stocks from previous crops is large, and the 1968 crop increased this surplus. Even a below-normal crop in 1969 probably would not cause the Soviet Union to reenter the market as a net importer of grain.

The bulk of USSR wheat exports in 1969 probably will continue to go into the northern countries of Eastern Europe. Because of stiff competition in other markets, the USSR may find it advantageous to feed more wheat to livestock.

Slightly smaller quantities of Soviet vegetable oil probably will be offered on world markets in 1969. Oilseed output changed little in 1968, and any jump in domestic vegetable-oil consumption should reduce export availabilities.

As demonstrated in 1968, USSR grain output is swung most sharply by spring grain production, the results of which for 1969 cannot be evaluated successfully until midsummer.

Winter grains were sown a little later in 1968, on the average, than in 1967; but generally favorable soil moisture conditions and a mild fall permitted these grains to enter the winter in relatively good condition. However, strong winter winds in the north Caucasus and southeast Ukraine and exceptionally low temperatures and light snowfall during midwinter resulted in damage to winter grains.

Because of poor outlook for some winter grain areas and because of favorable moisture conditions in some regions, the spring grain area is being expanded by 10 to 12 million acres. Spring and summer growing conditions will be especially important determinants of the 1969 grain crop.

The 1969 USSR cotton crop may be larger than that in 1968. The Soviet Government raised the average cotton procurement price 15 percent in February 1969. This probably will cause an increase in production in 1969.

In general, the 1969 USSR agricultural plan calls for an increase of 5 to 6 percent in gross output. Although the planned growth is higher than the growth rate obtained since 1966, achievement is not out of the question. In particular, a substantial upswing in output of livestock products is likely in 1969, given at least average weather.

Weather Disarranges Planned USSR Grain Production

A reluctant spring following a hard winter is complicating the task of planting spring grains in the Soviet Union. Larger-than-usual areas must be sown to take the place of winter grains damaged or killed; and tardy warm weather (nearly a month behind usual in central Asia and 2 to 3 weeks late in southern areas of the European part of the USSR) has diminished the time available to do the job.

Although the long and mostly mild fall permitted winter grains to get a good start in 1968, the picture soon reversed itself. Snow cover was lighter than usual in the southern USSR west of the Urals. Then several storms with high winds swept into the northern Caucasus, the area east of the Sea of Azov, and some other nearby regions. In some locations snow cover was blown away and winter grain was exposed to freezing temperatures and either killed or seriously damaged. In others that escaped actual storm damage the snow cover was not thick enough to protect plants from freezing.

The area worst affected was a triangle east of the Black Sea from Krasnodar to Stavropol to Rostov. Here winter grain fields will have to be completely resown. Damage in surrounding regions was not as severe but extended southeast to the Armenian and Georgian Republics, northeast to Astrakhan and Volvograd, and west to parts of the Crimea.

Present non-Soviet estimates are that 10 to 15 percent of total winter grain acreage was so severely affected that replanting to spring grains or other crops is necessary. Such estimates may be conservative. Losses of winter wheat may have been larger than those of rye or winter barley because wheat is the dominant winter crop in the damaged areas.

Plans for spring plantings are being revamped in some areas in an attempt to offset production drops in winter grains. Grain acreage in the Russian Republic, for example, is to be expanded by about 6 million acres (almost 3 million of which will be added to plantings in the Urals and Siberia). Revised plans are for Kazakhstan to plant nearly 5 million more acres than were originally intended for 1969.

Because of the unusually late spring, the task of replanting (several million acres) and regular spring planting plus expanded spring plantings, all in time to give grain a chance to mature in the fall, is stretching Soviet capacity. In many areas spring-sowing labor forces have been increased by factory tractor drivers and other nonfarm personnel. Double-shift operation of farm machinery has been given added emphasis. Officials claim that machinery, seed, and other inputs are where they are needed.

In average years spring grains are 60 to 70 percent of Soviet grain production, and spring wheat is 50 to 60 percent of all wheat grown. In years such as this one, however, replanting to spring grains and expanding spring grain acreage makes the success or failure of the harvest depend more heavily than usual on spring grain performance. It is too early in this crop year to evaluate spring grain output.

Because of last year's near-record harvest, the USSR at present has large grain stocks—particularly wheat.

Traveling roads ranging from blacktop to mud, Agricultural Attaché to Brazil* John C. McDonald *and his assistant Gregório Ballian found gathering crop statistics in interior Brazil a sizable task.

An Agricultural Excursão to Interior Brazil

Our odometer read 49,742 when we set out for areas not often visited by our Rio staff—the Minas Triangle, southern Goiás, Mato Grosso—and regions along the borders of Argentina and Paraguay that we'd never covered. On our return to Rio 19 days later it read 54,255. We had traveled 4,513 miles.

At its worst, our trip took us through clouds of red dust, over roads that became thick mud in the rain, and across broad expanses of *serrado* or fields of scrub vegetation. At its best, it took us to farming areas of such rich, fertile soil that almost anything could grow on it.

Our primary objective was to assess the size of the recent wheat harvest—one of the largest in Brazilian history if not a record—and the likely volume of the upcoming rice and corn crops, an aim that would be made difficult by varying forecasts and predictions. However, we would be a few days into our journey before we would reach the real farming country and could begin any kind of appraisal.

We set our sights for the first day's driving on Belo Horizonte in the State of Minas Gerais. Traveling the Rio-Belo road from Petrópolis onward, we passed towering hillsides whose grass is anemically capable of supporting only a small number of livestock in relation to area. Here and there, a small, irregular patch of corn struggled for survival, and a few hogs were rooting about. In back of the hills, however, was the rolling countryside that produces most of the milk, butter, cheese, eggs, and poultry for the Rio market.

Gradually, the hillsides became more lush. A 10-mile stretch dotted with huge mud anthills signaled the beginning of better farming country. Corn blanketed many hillsides; there were patches of beans and tomatoes, an occasional field of rice; dairy cattle were plumper, better bred. As we neared Belo, the mountains were void of any vegetation except grass because they are composed partly of iron and manganese. Hence, the State's name of Minas Gerais (general mines).

The interviews begin

From Belo Horizonte we headed toward Uberaba. We passed first through the little city of Pará de Minas, where we were told that farmers in the area have no machinery, little fertilizer. One reliable source said that the State extension service was doing a good job helping farmers to get credit through the Caixa Econômica (savings bank). Principal farm products of the area are livestock and corn, and the city has a milk cooperative.

Driving on, we saw occasional overgrown and abandoned coffee trees, then a number of coffee plantations, some with new plantings. Corn, manioc, and rice became more general as we neared Uberaba. Within range of the city we could see sizable herds of zebu beef cattle. The hills lost their scrub and became a smooth green.

At Uberaba we visited a Ministry of Agriculture research station devoting about 80 percent of its effort to improvement of gir cattle and the remainder to seed research (soybeans, beans, sorghum). The station's 220 gir cows give an average of 12 liters of milk daily, considerably above the average for the breed as a whole. Currently, focus is on improving gir as a beef breed.

We saw more beef herds and a few light green patches of rice as we left the Uberaba region. One gets the impression that much of Brazil's *serrado* could produce rice, corn, wheat, soybeans, etc., if it were cleared, as these rice patches had been, from the low, tangled growth and if enough fertilizer were applied.

We drove next into Uberlândia, where we received the first of quite a few conflicting crop reports. At a government agency an official told us that the 1968-69 rice crop in the important producing area of the Minas Triangle (Uberaba, Uberlândia, and the border of the State of Goiás) was being estimated 3 to 4 percent above the preceding year's crop. Corn would be up 1 or 2 percent. He said that fertilizer use was expanding greatly, that some companies were selling 200 percent more than a year ago.

Another view

We next talked to the manager of a rice buying and processing company. He predicted that the Triangle's corn crop would decline by 30 percent and that most of it would be replaced with rice. At the office of a competing firm the manager said he knew nothing of the Minas situation because he buys his rice in southern Goiás. There, he said, the crop could be as much as 100 percent greater than last year's if rainfall was adequate before harvest.

We spent the night in Ituiutaba, then started the day with some more interviews on the upcoming crops. The previous day's conflicting testimonies were echoed, but we began to feel closer to an educated guess.

The manager of a small firm dealing in grains said that if recent good rains continued, the Triangle's rice crop would be double the previous year's. Corn output would be down, he predicted, because plantings were smaller in the main corn region. But down the street a few yards, another manager predicted that if rainfall were adequate between then and the time the crop was all in, the Triangle "will save 70 percent of its crop." He foresaw a corn harvest similar to last year's.

Puzzling over these conflicting views, we headed for Capinópolis, where we received what seemed to be the most reasonable crop forecasts so far. Our informant there told us that the area planted to rice was larger than in 1967-68, but yield was down because of lack of moisture, and final outcome of the crop would depend upon rainfall from here on. If rain were ample, the crop loss would be 15-20 percent from last year; if moisture were less than good, the loss would be greater. Because of smaller plantings and the dry growing season, corn production would be only half the previous year's. A hybrid corn farmer himself, he predicted that Brazil would have no corn to export in 1969.

Becoming more general, he took a map and drew a band through the villages of Santa Vitória, Ipiaçu, Capinópolis, and

Cachoeira, Dourada, Canápolis, and Centralina and said this was the best agricultural area in the Triangle. "It will grow anything." It boasts a rich, dark soil 5 to 10 meters deep. On his own farm we saw a small grove of papaya trees with clusters of unusually large fruit, some as big as watermelons. Yet, he said, productivity of the land in this rich region is declining because farm operators don't practice crop rotation or soil conservation and don't use fertilizers.

We crossed the State line from Minas Gerais to Goiás and stopped at a government agency in Goiânia. An official there told us that rice production had grown year by year. Goiás has taken over from Rio Grande do Sul as the country's main rice-producing State, according to the Brazilian Ministry of Agriculture. Another official said it would continue to pull ahead because Rio Grande do Sul will not commit more land to production of irrigated rice. He added that a great deal of new land had been planted to rice, so that even though lack of early rains had reduced outturn some, the 1969 harvest would equal or exceed last year's if current rains continued.

To Rio Verde

Leaving Goiânia, we headed over rust-colored dust toward Rio Verde 153 miles away. On the way, we passed a row of little shacks, the huts covered with dust, their residents breathing it. There, a little fruit stand tended by an unshaven old man incongruously boasted apples imported from Argentina and France.

At Rio Verde a grain merchant predicted that the *município* rice crop could double in volume if good rains continued. A government agent there agreed despite the fact that farmers had to replant as many as three times and suffered onslaughts of caterpillars, ants, and rice borers. Corn is produced only for the growers' own needs, and none is put on the Rio Verde market. In a neighboring *município*, Jataí, two grain dealers told us that there had been no lack of rainfall and that they expected rice production to rise from 200,000 bags to 500,000. All of Jataí's exported rice goes to the São Paulo market.

We crossed the Mato Grosso line and set our watches back an hour. As we fought the mud to Rondonópolis, we saw only one piece of cultivated land in 6 hours—a small rice field. The remainder of the 150 miles was *serrado*. In Rondonópolis, a raw frontier town, we were told that the *município* produced 1.6 million bags of rice last year to rank first in the State and that prospects for this year were even better. Corn production is only for feeding local swine.

En route to Campo Grande—a crossroad for cereal grains, cattle, and meat on their way to São Paulo from the far west—we stopped at Rio Verde de Mato Grosso to talk to a govern-

ment agent. Rice and cattle are the principal agricultural pursuits in this *município*. There are plenty of beef cattle here, with both good pasture and endless tracts of *serrado* to keep them. The agent estimated that it takes 5 hectares (12.5 acres) of *serrado* to support one head of livestock, whereas four can live on a single hectare (2.5 acres) of good pasture. He said that use of rural credit is on the increase in the area since it was introduced more than a year ago. Most comes from the Bank of Brazil and the Inter-American Development Bank livestock loan.

From Campo Grande, we headed southwest toward Dourados. After 39 miles of pavement, the rest of the 175-mile road is still under construction. From Rio Brilhante onward it passes over fabulously fertile, dark red earth typical of the finest coffee-growing soils in western São Paulo and northern Paraná. Anything, but anything, will grow on it. It's a farming paradise of fruit trees and forests; fine pastures that support big herds of comfortably fleshed beef and dairy cattle; superb fields of such crops as rice, sugarcane, manioc, corn, peanuts, and coffee.

Corn stored under program

In Dourados, we had our first look at a commodity stored under the price support program (see *Foreign Agriculture*, April 7, 1969). Some 80,000 bags (132 lb. each) of corn in a warehouse there belonged to farmers, whose names were painted on the bags, and were being held against loans. It seems likely that, with a short corn crop predicted, these loans will be repaid and the corn claimed by the owners. One grain company manager could not give us a rice-crop estimate. He remarked that people are saying the crop will be 100 percent better than the previous year's, but he himself cut that percentage in half. Another manager said the *município's* output last year was 800,000 bags, and he is predicting 1.4 million for 1969—a 75-percent gain.

Ferrying across the Paraná River, we entered the State of the same name and headed for Cascavel. There, we had some bullish reports about crop prospects. An official in charge of agriculture in 12 *municípios* predicted that grain crops—rice, corn, wheat—could be the best in the history of at least eight of his *municípios* if too much rain didn't come before harvest. He commented: "This is a fabulous region. Everything that is planted grows and grows well." He said that the area planted to grain crops has been expanding by 20 percent a year, but this year's bountiful crop can be attributed mainly to the weather. He added that the bean crop is excellent and that the fine coffee crop is a bonus since the region is not generally good for coffee. Several tradespeople gave us some further information about the Cascavel region. They are anticipating a 30- to 40- percent increase in the corn harvest and a 30-percent gain for soybeans.

Leaving Paraná for a few days—or until we returned north—we drove across Santa Catarina and into Erechim in Rio Grande do Sul. Plantings of wheat, corn, potatoes, and probably soybeans expanded in Santa Catarina. Rice area and production are down, but the Ministry of Agriculture's first forecast for corn was very optimistic.

Rio Grande do Sul is Brazil's big wheat-producing State. The volume of the 1968-69 crop has been growing with successive reports. Early production reports were low because of an unaccustomed, and thus frightening, dry period early in the growing season. But the dry weather in this normally humid State, interrupted by 36 hours of rain at a strategic time, proved to be a blessing in disguise. Rust and other diseases usually prevalent did not get a start. Favorable weather, the planting of improved seed varieties, and wider use of fertilizer all contributed to what might prove to be a record wheat crop.

At Erechim and again in Passo Fundo, we heard optimistic reports about the corn crop. However, all corn produced in Rio Grande do Sul is fed at home. Because farmers use any available seed, it cannot be classified, and thus cannot be exported. A government agricultural agency is encouraging farmers to plant only enough corn to feed their hogs and put the rest of their land into soybeans, which bring more profitable returns. As for soybeans, we got the impression that several areas were expecting record crops.

The next day in Porto Alegre we were able to get national wheat purchase figures—final except for a small volume. They showed total purchases of 686,253 metric tons for 1968-69, compared with 364,870 tons in 1967-68. The director of the National Wheat Purchase Commission told us these figures point to a total production of 700,000 metric tons or slightly more, all of it soft wheat. This is one of Brazil's largest crops, possibly a record. Reports of larger crops in the 1950's have not been verified.

We stopped at the Rio Grande do Sul Rice Institute, whose technical director is frankly dubious about Ministry of Agriculture figures purporting that Goiás outpaced Rio Grande do Sul in rice output last year. The Institute forecasts the State's rice output for 1968-69 at 1,150,000 metric tons, against its estimate of 1,155,000 for 1967-68.

The end of our trip was in sight as we passed through Vacaria toward São Paulo and then Rio de Janiero. At São Paulo a member of the grain trade gave us his opinion of corn output. He predicted that production in the two principal producing States of Paraná and São Paulo together would be down about 18 percent. Maximum export availability for all of Brazil, he thought, would be 750,000 to 800,000 tons, but he doubted that actual exports would reach this level.

The final stretch

On the last leg of our journey—São Paulo to Rio—we were hit by a downpour of flash flood proportions. After carrying us over thousands of miles relatively unscathed, our trusty vehicle couldn't—and didn't—give out yet. It somehow managed to get us into Rio before it died in a puddle on *Avenida Brasil*.

Once back home, we began to pull together all available data on the wheat, rice, and corn crops. For wheat, the Bank of Brazil's figures are most reliable since the Bank acquires all domestic production with the exception of small volumes that remain on farms.

On the basis of our trip, we are inclined to stick with our earlier forecast of an 11.5-million-ton corn crop but to regard it as a likely minimum. We see no reason to alter our forecast of 1969 corn exports of 650,000 tons although we regard this as a likely maximum.

We are revising our estimate of the 1967-68 rice crop downward from 6.2 million tons to 5.3 million. From our trip, we have reason to believe that total 1968-69 production will rise 4 or 5 percent to about 5.5 million tons. Brazil's exportable surplus of rice reportedly is not moving because domestic rice prices are currently higher than world prices.

Two aspects of Ireland's important livestock industry: Sheep, left, feed on roots in short-grass area of County Kildare; cattle, above, are herded aboard boat destined for export markets.

Large Farm Production a Mixed Blessing in Ireland

Ireland's 1968 agricultural production, favored by some of the best weather in years, rose from the high level of the previous year. Plus factors on the scene were the large grain crop, the upturn in the hog cycle after 2 years of decline, and an easing of the cattle surplus—a problem during 1967.

Progress, however, creates problems, and Ireland had its share of them also. Blight hit the potato crop, reducing production of this Irish food staple. Another gain in milk production accentuated marketing and storage problems associated with the dairy surplus. And the country continued to have difficulties caused by a desire, on the one hand, to maintain traditional ways of farming, and the need, on the other hand, to modernize agriculture.

Growth in livestock marketings

The important livestock sector—source of about 85 percent of Ireland's gross agricultural output—enjoyed a record year in 1968, with gross marketings rising 2 percent above the high 1967 level.

Bucking this general rise, beef and veal production fell 16 percent from 1967 to about 180,000 metric tons. This was, however, above the 1963-67 average and helped alleviate the problems and improve the depressed prices brought on in 1967 when 200,000 carryover cattle had to be marketed.

The drop in production from 1967 was reflected in decreased carcass beef exports to the United Kingdom—far the largest market. These shipments were off about one-fifth to an estimated 83,500 tons. Boneless beef exports to the United States likewise fell, by 30 percent to around 24,600 tons.

Shipments of live cattle to the United Kingdom totaled some 600,000 head—19,000 below those in 1967 and 38,000 under the target set in the Anglo-Irish Free Trade Area Agreement. Exports of both cattle and beef to the EC were at a virtual standstill, owing to an EC import levy of around $120 per head on live cattle plus a 16-percent import duty.

Production of mutton and lamb also declined slightly to 45,000 tons. Exports of these products during January-September totaled 11,340 tons while live sheep and lamb exports are estimated at 175,000 head, up about 35,000 from 1967.

Pork production gained for the first time since the record production in 1965 sparked a downward slide. However, the 13-percent increase—to 125,000 tons—was still insufficient to offset negative effects of the previous 2 years, especially 1967. A further increase is forecast for 1969, as the number of breeding sows and gilts was up 7 percent at mid-June 1968.

For the second year in a row, Ireland appears to have been a net importer of live hogs, with recorded imports totaling about 10,000 head during the first 9 months of 1968. Unrecorded imports from Northern Ireland are estimated at 25,000 head. Exports of pork during calendar 1968 are provisionally estimated at about 8,000 tons, compared with less than 3,000 in 1967.

Production of poultry meat is put at 25,000 tons—the same as in 1967 and 12 and 16 percent above the previous 2 years. Exports of poultry meat (largely hens) during January-September 1968 were just over 4,500 tons and all went to the United Kingdom.

Milk production hits record

Milk production during 1968 soared to a record 3,680,000 metric tons—6 percent above the previous high set in 1967. More cows undoubtedly contributed to the increase, but so did greater use of fertilizer on pastures, favorable weather conditions throughout most of the year, and the continued trend toward inclusion of higher yielding cows, especially Friesians, in the dairy herd.

The milk gain was mirrored in a production jump for all dairy products except chocolate crumb; largest increases were in creamery butter and cheese. As a result, Ireland is estimated to have for export about 1.4 million tons of dairy products, milk equivalent, from 1968 production. But the current low state of the world market, including difficulties in the important U.K. market, portends trouble ahead. In fact, the U.K. butter quota for Ireland in 1969-70 is not expected to be increased from the current level of 27,000 tons, and an import duty on

Irish cheese now being considered by the British could cut sales of that product.

Crop production gains

Output of crops in Ireland during 1968 is estimated at more than 9 percent above the 1967 level, mainly as a result of large increases in the grain and beet crops. Weather conditions played a large part in the expansion as Ireland had its best summer in years.

For grain farmers, especially the wheat men, it was a golden year. Total grain production climbed 11 percent to an estimated 1.3 million tons; yields were high as a result of the good weather plus increased use of fertilizers and other improved cultural practices, and quality was considered very good.

Far the greatest share of this grain was in wheat, which shot up by 40 percent to an estimated 355,000 tons. The increase, aided by a 18-percent jump in acreage and unusually high yields per acre, gave Ireland 75,000-80,000 tons more wheat than domestic millers required. The surplus milling wheat and 13,000 tons of unmillable wheat are now being directed into animal feed. Barley production also gained—by 8 percent to 680,000 tons, dried weight—while oats production fell 7 percent, in line with an acreage cutback.

Higher yield boosted the 1968 sugarbeet harvest to just over the million-ton mark. This is a record for Ireland and 6 percent above the 1967 crop.

The potato crop is estimated at 1.6 million tons, or about 120,000 smaller than in 1967. The decrease came because of a cutback in acreage, coupled with a higher than usual incidence of blight, which seriously affected the crop's storing quality and have led to shortages. However, it is doubtful that imports will be needed.

Trade with U.S.

On the trade side, the United States continued to hold its own in the Irish farm market during the first 9 months of 1968 despite the production gain. Behind this strength was a further expansion in tobacco and oilseed imports, which held total imports from the United States at 2 percent more than in the 1967 period. The imports of U.S. unmanufactured tobacco were up 6 percent and ranked as the No 1 U.S. dollar earner in Ireland.

Irish feedgrain imports, including offals, in 1968-69 are expected to total 315,000 tons—17 percent below 1967-68 imports. The corn market is now about 100,000 tons, with the United States supplying most of it; this will be more difficult to hold in 1969 because of stiff price competition from other suppliers.

Imports of fruit from the United States in January-September were off by more than a third, mainly because of high U.S. prices for apples during early 1968. The U.S. share of the Irish apple market is expected to fall even further this year.

Margarine is making a significant impact in Ireland now, helping to buoy demand for oilseeds and oils. This led to a 15-percent increase in imports of U.S. oilseeds during January-September 1968 and could further boost prospects in 1969.

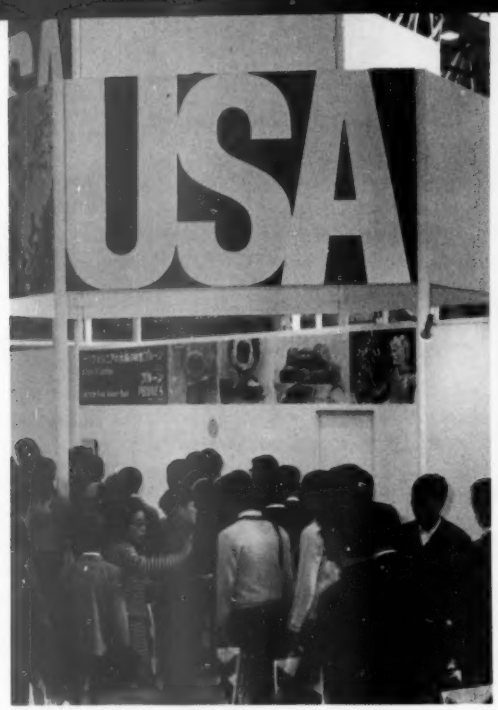
Direction of agriculture

The rationalization of agriculture continues to be much discussed in Ireland, although the industry and government are often at odds about the direction and shape of farm policy. Still prevalent is the feeling that the family farm and the rural scene must be spared from the convulsions of modernization needed to meet the problems of the 1970's. Thus, many policies aimed at increasing production are saddled with social implications, and the result is a lack of impact in either area.

Farm leaders and government do agree that agriculture must be intensified if Ireland is to hold its own in the Free Trade Agreement with Britain and, much more so, if it achieves membership in the EC. The "Third Plan" and the political debate surrounding the general election may shed some light on future trends. (For details of Ireland's Third Plan, see page 12, *Foreign Agriculture*, May 5, 1969.)

—Based on dispatch from EUGENE T. RANSOM
U.S. Agricultural Attaché, Dublin

Below, spraying potato plants—still an Irish staple. Right, farmers make silage for their cattle—a practice favored by Ireland's moist climate.



Left, entrance to the U.S. stand; above, visitor samples juice at booth of California-Arizona Citrus League; right, American sales pitch.

Tokyo Push for U.S. Foods Continues

The Japanese tradespeople pictured on this page are some of the 60,000 visitors at the U.S. exhibit during the "trade only" first 10 days of the Tokyo International Trade Fair. The April 17-May 6 exhibit is a follow-up to the highly successful all-U.S. "American Festival" held last spring in the same location, Tokyo's Harumi Wharf.

This year nine commodity organizations, most with permanent staffs in Japan, and more than 70 U.S. commercial companies had displays in the FAS-sponsored exhibit. Five States also showed their agricultural products—Colorado, Pennsylvania, Idaho, Texas, and Oregon.

Miss Dolores Palmer, U.S. home economist representing Grocery Manufacturers of America, prepared and served samples of U.S. foods furnished by FAS market development cooperators in a central kitchen under the banner "American foods—nutritious and delicious."

Cooperators had separate booths as well to advertise their commodities. Western Wheat Associates featured hotcakes in their booth, and the U.S. Feed Grains Council representatives prepared end products based on feedgrains—notably meat, milk, and eggs. The California Raisin Advisory Board passed out samples of raisin pie.

Meat and poultry cookery was demonstrated in the central kitchen by Hermand Leis, Milwaukee restaurateur and veteran of the USDA trade fair circuit. Nine U.S. meat firms participated in the show. Initial reports showed 20 tons of U.S. meat sold from the floor, chiefly strip loins, short loins, and tenderloins.

In yet another demonstration kitchen, Mrs. Betty Sawyers prepared processed foods supplied by U.S. commercial firms. She reported strong interest in popcorn (most Japanese are unfamiliar with home popping), chili, and processed potatoes.

The U.S. tallow industry also had an exhibit at the Tokyo Show. Two 8-year-olds—Miss Japan Soap and Miss U.S. Soap—were on hand to greet visitors and hand out samples.

Right, counter girls set out whip cream for visitors to sample; Below, Joe Spiruta of the U.S. Pea and Lentil Council scoops up lentils. Hot lentil soup attracted scores of taste-testers.

Clockwise from above, free samples for customers; air-fresh produce; popular snack foods items; store-front advertising.

Stockholm Stores Host Campaign

Twenty-six Norrmalms supermarkets in and around Stockholm are now reporting sales results of a week's feature of American Foods in March. Preliminary sales data show that purchases of U.S. foods during the promotion reached $96,000—ten times normal.

Red-white-and-blue "Uncle Sam" hats were the recurring symbol of the campaign, some appearing overflowing with U.S. products on posters exclaiming "Modern Food—American delicacies and sunripe vegetables from California to Florida." Others appeared on price cards and handout pamphlets.

Popular new items shown were canned asparagus, snack foods and orange juice; turkey rolls were the most important in terms of sales. Among the vegetables iceberg lettuce, cherry tomatoes, and strawberries were outstanding.

FAS helps finance the promotion of U.S. foods through retail store campaigns, eight of which are planned for Sweden alone in 1969.

U.S. Turkey Rolls Test Marketed

American turkey rolls are being introduced to the menus of the Wienerwald restaurant chain, widely known in Germany, Austria, and Switzerland. The Institute of American Poultry Industries will help with promotion.

Four test restaurants in Munich will soon be featuring two cold dishes and one hot sandwich made with the sliced rolls. Special table displays and menu cards will draw attention to the new item, emphasizing its low calorie content. Success in Munich will mean eventual introduction to the entire chain.

At right are IAPI Chef Hebers and Wienerwald owner Mr. Jahn tasting one of the dishes being offered.

German Prune Tariff

A recent tariff reduction for third-country prune imports will temporarily improve the market for U.S. prunes in West Germany. The EC Commission, at the request of the German Government, approved a tariff quota for 1969 German imports of 5,000 metric tons of dried prunes at a duty rate of 11.5 percent ad valorem. This represents a reduction of 4.5 percent from the normal EC tariff rate of 16 percent.

The tariff quota rate was 10.5 percent in 1968, 9.4 percent in 1967, and 8.9 percent in 1966. France—a rapidly growing producer and exporter of prunes—is benefiting most from the yearly hikes in import quota duties.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Corn prices advanced 7 cents a bushel due to the U.S. Corn Stocks Report, plus some change in production outlook. Current prices for imported grain at Rotterdam, with comparison to a week earlier and a year ago, are as follows:

Item	April 29	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	1.93	−1	2.01
USSR SKS-14	1.84	0	1.88
Australia Prime Hard	1.86	0	(1)
U.S. No. 2 Dark Northern Spring: 14 percent	1.87	−2	1.89
15 percent	1.91	0	1.96
U.S. No. 2 Hard Winter 14 percent	1.88	+2	1.81
Argentine	1.80	0	1.88
U.S. No. 2 Soft Red Winter	1.67	+1	1.58
Feedgrains:			
U.S. No. 3 Yellow corn	1.47	+7	1.32
Argentine Plate corn	1.50	+7	1.44
U.S. No. 2 sorghum	1.27	−6	1.38
Argentine-Granifero	1.24	+4	1.28

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.
[1] Not quoted.

Indian Sugar Crushing Problem

Excessive sugarcane supplies are causing problems for the Indian sugarcane producers. Crushing has been at peak levels, with cane arrivals increasing, and the mills have found it difficult to absorb supplies. The crushing season is likely to be extended by about a month, to the end of May.

Excess cane supplies depressed prices during the first part of April, especially in Maharashtra, Andhra Pradesh, and Mysore. It is reported that mills were offering $11.33 per metric ton, as compared to $13.33 per ton which was informally agreed to earlier between the government and the mills. Growers are anxious to get rid of their cane because they cannot divert their supplies to processors of gur or khandsari as prices have declined for these types of sugar. The prolonged dry weather in parts of Eastern Uttar Pradesh and increasing summer heat have already damaged cane, increasing the urgent need for prompt crushing to avoid a serious decline in sugar recovery.

Lower cane prices this season could have an adverse effect on the next season's plantings. The Union Food and Agriculture Minister has warned mills that stern government measures will be taken if prices are depressed below the previously agreed level.

U.S. Cotton Exports for March

Exports of cotton amounted to 130,000 running bales (480 lb. net) in March, compared with 56,000 bales in February and 436,000 bales in March 1968. This is the lowest level of exports for March since 1944. Cargo shipments at Atlantic and Gulf coast ports were held up through most of March by the striking dock workers.

Exports of U.S. cotton in the first 8 months (August-March) of the current season totaled 1,329,000 bales, compared with 2,782,000 bales shipped during the same period a year earlier. Exports to practically all destinations are down sharply from the previous year. Comparisons to last year and previous years are as follows:

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginning August 1				
	Average			Aug.-Mar.	
	1960-64	1966	1967	1967	1968
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	23	4	1	1	0
Belgium-Luxembourg	121	52	45	27	15
Denmark	14	8	10	6	1
Finland	17	15	11	8	2
France	319	163	148	105	48
Germany, West	269	159	100	82	14
Italy	345	263	253	188	32
Netherlands	110	31	36	22	11
Norway	13	10	7	4	3
Poland	125	78	77	52	92
Portugal	21	1	9	4	4
Spain	74	1	7	5	4
Sweden	81	71	75	51	23
Switzerland	74	79	60	47	17
United Kingdom	244	153	125	89	25
Yugoslavia	112	139	67	58	0
Other Europe	17	11	24	12	4
Total Europe	1,979	1,238	1,055	761	295
Australia	61	17	17	16	0
Bolivia	7	9	0	0	0
Canada	353	297	142	112	68
Chile	18	3	1	(1)	(1)
Colombia	3	1	0	0	(1)
Congo (Kinshasa)	6	34	13	(1)	0
Ethiopia	9	9	22	15	8
Ghana	1	15	12	5	9
Hong Kong	148	183	299	187	113
India	314	289	342	305	5
Indonesia	40	161	70	(1)	47
Israel	15	2	4	2	1
Jamaica	4	5	1	1	1
Japan	1,192	1,293	1,103	694	280
Korea, Republic of	261	372	351	249	244
Morocco	12	14	35	17	7
Pakistan	14	3	18	18	0
Philippines	123	134	154	82	59
South Africa	41	38	23	16	6
Taiwan	209	373	378	207	103
Thailand	34	70	90	53	33
Tunisia	2	15	14	13	0
Uruguay	6	0	0	0	0
Venezuela	8	1	(1)	(1)	(1)
Vietnam, South	46	66	24	10	32
Other countries	18	27	38	19	18
Total	4,924	4,669	4,206	2,782	1,329

[1] Less than 500 bales.

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Mexican Beef Feeders Battle Development Problems

Fed beef, still a rarity in the Mexican diet, could become an important item within the next decade. Not only is the domestic demand increasing because of an expanding population and growing affluence in the major cities but because of a greater influx of tourists each year that are used to and want fed beef. However, the change from grass to feedlots will not come rapidly nor easily.

Currently very few feedlots exist in Mexico, and those functioning are mostly in the northern States. The chief concentration is near the city of Chihuahua. Carrying capacities of lots differ but probably average about 500 head on feed for generally not more than 90 days. At present Mexican ranchers export every steer calf possible to take advantage of the U.S. price. To maintain sufficient supplies for the domestic Mexican market, the export of female cattle is prohibited; and steers and bulls for export must be under 18 months of age. Therefore, feedlots mainly fatten heifers.

Heifers normally enter lots at about 500 pounds, and the current price for quality heifers is about US$18 per 100 pounds. After a gain of usually not more than 200 pounds, they are sold for about $21 per 100 pounds. The profit margin is narrow because Mexico does not yet have a beef-grading system or any beef-price differential based on quality. Other factors holding down profits are that almost none of the lots are mechanized, that bank rates are from 10 to 14 percent, and that feed components are more costly than in the United States because of high price supports for grains.

Because of these cost factors and because of lack of organized markets, it has been necessary for most feeders to develop their own outlets to realize a profit for quality meat. Some have their own butcher shops; but most furnish the quality restaurants in Mexico City, Acapulco, and other major tourist spots. All apparently believe in the future of fed beef and are determined to overcome existing difficulties.

At present, demand for beef is rapidly outstripping supply. In the interim period before Mexican-produced fed beef becomes commonplace rather than a rarity, Mexico might increase purchases of U.S. Choice beef for the hotel and restaurant trade. This could well be from Mexican steers fed out in U.S. feedlots.

—Based on dispatch from WILLIAM L. RODMAN
U.S. Agricultural Attaché, Mexico City

Below, visiting and resident agriculturalists inspect rations in feedlot. To the right, quality steers on feed in a lot near the city of Chihuahua.

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